DEBT SERVICE

Seminole County's debt policies are detailed in the Financial Policies of the Introduction section of this document. The debt policies require that whenever possible:

- all bonds issued by Seminole County be competitively bid;
- the County will use a "pay as you go" approach and utilize internal funding resources;
- revenue bonds or special assessment bonds be used to support bonds instead of ad valorem tax;
- credit enhancement will be utilized when necessary to lower total borrowing costs;
- the County will competitively bid investment of escrow funds for advance refundings if it is expected that bids will result in lower cost and required securities are available in the market; and
- debt issuance plans will be included in the County's long-term capital plan.

County Bond Issues are separated into three categories:

- General Obligation Debt - Bonds secured by the ad valorem taxing power of the County. Bonds may be limited as detailed in the voter referendum required prior to issuance of all general or special obligation bonds.
- Special Obligation Debt - Bonds secured by a pledge of special revenue such as Sales Tax or Local Option Gas Tax and are not backed by the ad valorem taxing power of the County.
- Enterprise Fund Debt - Bonds secured by a pledge of revenue in the Water and Sewer or Solid Waste Enterprise Funds.

Seminole County has not taken action to adopt legal debt limits within its financial policies. However, debt ratios such as direct and over all debt per capita and debt per taxable property value are tracked and compared with those recommended by Moody's Investors. Current and historical comparison of these debt ratios are included later in this section of the budget document.